

APPENDIX E.

Aging With Dignity



FACT SHEET

California has the fastest growing population in the country, and the fastest growing segment of California's population is persons aged 85 and over. The number of people over 60 years of age will grow from 4.9 million in 2000 to 9.0 million by 2020.

In January 2000, Governor Gray Davis introduced his Aging with Dignity Initiative to expand in-home and community-based care options to assist elderly Californians and disabled adults. Included in statewide efforts to provide expanded alternatives to nursing homes, Governor Davis' Initiative also enhances the quality of care provided in California's nursing home facilities.



"Our approach - consistent with our values - should be to keep families together by providing the services older Californians need to remain in their own homes, instead of nursing homes."

- Governor Gray Davis

In signing the State's budget for fiscal year 2000/01, the Governor approved nearly \$500 million in total funding (nearly \$270.5 in General Fund monies) to assist seniors and younger adults with functional impairments his Initiative. These funds have been distributed among several departments within the California Health and Human Services Agency.

Highlights:

Helping Seniors and Disabled Adults Live Independent Lives

The Aging with Dignity Initiative builds on existing efforts to help seniors and disabled adults remain at home and live independently in their own community, including:

- **Long-term care tax credit (AB 2871, Correa):** Eligible caregivers may now receive a \$500 tax credit for families caring for seniors and disabled adults at home. This credit will help offset the direct cost of long-term care, such as home health visits, adult day care, and home safety modifications, as well as indirect costs, such as unpaid leave that some caregivers must take.
- **Long-term care innovation grants:** One-time challenge grants totaling \$14.2 million to fund innovative models that provide more options to seniors and younger adults with functional impairments in need of long-term care assistance to remain in their own homes and communities.
- **Senior Housing Information and Support Center (AB 1846, Lowenthal):** Provides information concerning housing options and home modification alternatives that allow seniors and disabled adults to live independently or with their families. This program promotes education and training for professionals who work directly with seniors and disabled adults to keep them living as independently as possible. In addition, the program serves as a clearinghouse for information for seniors and disabled adults as well as their families on available innovative resources and senior services. The budget (2000 session) includes \$1 million for these purposes.
- **Senior Wellness Education Campaign:** This campaign, funded at \$1 million, offers information to seniors, their families and health professionals on healthy aging practices, and information about community-based and in-home care alternatives to institutional care.
- **Allow low-income seniors and disabled individuals to keep more income for at-home care:** Reduces out-of-pocket payments many seniors have to contribute toward their own medical costs before Medi-Cal is available. This extends "no cost" Medi-Cal to about 13,000 aged and disabled persons with income up to 100 percent of the federal poverty level (FPL) and reduces the share of cost for those above the FPL. The

budget includes a total of \$47 million (\$23.5 million General Fund) for this new program.

- **In-home supportive services increases:** Increases wages to in-home care providers up to \$8.10 per hour and, if revenue targets are met, up to \$12.10 per hour. Also, extends health benefits to in-home care workers for the first time. Total funding for this is \$354.4 million (including \$167 million General Fund).

Long Term Care Workforce

The initiative will increase the number of qualified caregivers for California seniors and disabled adults by providing job training resources for recruitment and training of staff in the long-term care industry, instituting a system of quality incentive awards, and increasing Medi-Cal rates, as follows:

- **Train Employees to be Caregivers:** The budget includes \$25 million of federal Workforce Investment Act funds to train current or prospective employees in the caregiver industries, including nursing homes and the In-Home Supportive Services program. The budget also targets Welfare-to-Work funds for recruitment, retention, and training of these same caregivers.
- **Increase Nursing Home Employee Wages:** In addition to existing Medi-Cal cost-based rate adjustments, the Budget includes \$67 million General Fund monies to provide an additional 5 percent wage increase for caregivers in nursing facilities, above the 5 percent increase provided in the 1999 Budget Act. Total funding for this effort is \$132 million.
- **Review Staff-to-Patient Ratios for Nursing Homes:** The Governor has directed the Department of Health Services (DHS) to review minimum staff-to-patient ratios. DHS provided their recommendations in October 2002.

Improving Care Facilities

California is committed to improving the quality of care provided to residents in California's nursing homes. The Department of Health Services focuses enforcement activities on nursing homes that demonstrate difficulty in maintaining compliance with state and federal requirements. To further protect the most vulnerable Californians, the budget includes several initiatives to increase the number of nursing home inspections, ensure rapid response in complaint investigations, and strengthen enforcement activities, as follows:

- **Increase Unannounced Inspections of Nursing Homes (AB 1731, Shelley):** A total of \$7.5 million (\$3 million General Fund) and 100 positions have been added to increase the frequency and unpredictability of nursing home inspections, and inspect homes under new federally

mandated standards adopted as part of the President Clinton's Nursing Home Initiative.

- **Quality Awards for Exemplary Nursing Homes (AB 1731, Shelley):** Cash awards are available to facilities that serve high proportions of Medi-Cal patients and maintain the highest quality of patient care. The budget includes a total of \$10 million (\$8 million General Fund) for this purpose. Facilities will be eligible to receive awards of \$20,000 to \$50,000 each year.
- **Rapid Response to Nursing Home Complaints (AB 1731, Shelley):** A total of \$3.9 million (\$2.2 General Fund) and positions have been added to help guarantee a 24-hour response in investigating emergency complaints regarding patient care.
- **Require facilities to increase posting of the Long Term Care Ombudsman's toll-free number (AB 1731, Shelley):** All licensed facilities are required to increase posting of an 800 number for complaints regarding patient safety. The proposal includes penalties of \$100 per day for noncompliance.
- **Licensure Status for Facilities that have the Most Serious Care Problems (AB 1731, Shelley):** This allows DHS to put any facility back on probation for violations of standards of care.
- **Increase Fines for Serious or Repeat Violations, and Allow for Direct Referral of Severe Violations to District Attorneys for Prosecution (AB 1731, Shelley):** Increase fines for "AA" citations, violations that cause the death of a patient, to \$100,000, from the previous range of \$5,000-\$25,000. The initiative also calls for increased fines for a first "A" citation, violations that can cause serious harm or death or have caused serious harm, from a range of \$1,000-\$10,000 to a range of \$2,000-\$20,000.
- **Increase the Expenditure Cap on the State Health Facility Citation Fund (AB 1731, Shelley):** This fund is used for court-appointed receiverships, or to replace patient trust accounts or personal possessions that are misappropriated or destroyed. Prior to the initiative, annual revenue in the fund in excess of \$1.0 million is transferred to the General Fund. This limit will be increased to \$10.0 million, thereby allowing a reserve in the fund sufficient to handle several receiverships at once.

Strengthening Fiscal Standards

Strong financial solvency standards and reporting requirements are necessary to ensure that not only the facility operator, but the operator's parent company has the necessary resources to provide quality long-term care to California's frail and elderly population. The Initiative strengthens fiscal standards in the following ways:

- **Establishes a Fiscal Solvency Review Advisory Board to Review and Establish New Standards and Reporting Requirements for Nursing Facility Licensees (AB 1731, Shelley):** The State has a duty to protect residents from unnecessary transfers and disruptive closures. The budget allocates \$500,000 to establish a Fiscal Solvency Review Advisory Board to recommend appropriate fiscal standards for nursing homes to prevent bankruptcies and disruptions in care.
- **Authorizes DHS to Provide for a Temporary Manager (AB 1731, Shelley):** Under existing law, for homes with severe fiscal mismanagement or substandard quality of care, the State has no intermediate sanctions or alternatives short of a court-appointed receiver. The Initiative makes statutory changes to allow appointment of a temporary state manager, paid for by the licensee.
- **Allows DHS to Recover Costs of Court Appointed Receivers from Parent Corporations or Individual Owners (AB 1731, Shelley):** The Initiative expands current law to allow the State to recover the cost of a receiver from any substandard licensee or any related corporation(s).